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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

**FEDERAL TRADE
COMMISSION,**

Plaintiff,

vs.

TATTO, INC., *et al.*,

Defendants.

Case No. 2:13-cv-08912-DSF-FFM

**ORDER ALLOWING LIMITED
RELEASE OF FROZEN FUNDS
FOR PAYMENT OF CLASS
ACTION SETTLEMENT**

1 Before the Court is the motion of non-party Sarah Johnson, the
2 representative plaintiff in the class action entitled *Johnson v. Wozo, LLC, et*
3 *al.*, Case No. 11-cv-10245-DJC (D. Mass.) (the “Massachusetts Class
4 Action”), for an order allowing limited release of frozen funds, in the amount
5 of \$250,000, for payment of a class-wide settlement. Ms. Johnson’s motion
6 is not opposed by the Defendants in this action, the Defendants in the
7 Massachusetts Class Action, the Federal Trade Commission (the “FTC”), or
8 Thomas W. McNamara, the receiver previously appointed by this Court (the
9 “Receiver”).

10 **FINDINGS OF FACT**

11 This Court, having considered Ms. Johnson’s motion and all
12 supporting documents, as well as the relevant filings in the Massachusetts
13 Class Action, finds that:

14 1. The Massachusetts Class Action was filed on February 14, 2011
15 in the United States District Court for the District of Massachusetts.

16 2. Prior to the filing of the above-entitled action by the FTC, and
17 pursuant to a settlement reached by the parties to the Massachusetts Class
18 Action, which was preliminarily approved by the District of Massachusetts,
19 the defendants to the Massachusetts Class Action caused the sum of
20 \$250,000 to be deposited in escrow and held by counsel for the defendants
21 in that action, the law firm of Funkhouser Vegosen Liebman & Dunn Ltd.
22 (the “Escrowee”), for purposes of funding the relief to the class members
23 (the “Escrow Funds”).

24 3. There is good cause to believe the Escrow Funds may be part of
25 the receivership in the above-entitled case and subject to the asset freeze.

26 4. There is good cause to believe that Ms. Johnson and the
27 consumer class members in the Massachusetts Class Action are entitled to
28 relief provided by the settlement of that case, including payment through the



1 segregated Escrow Funds.

2 5. The District of Massachusetts is a court of competent jurisdiction
3 capable of approving and administering the settlement in the Massachusetts
4 Class Action without further oversight from this Court.

5 **ORDER**

6 Good cause appearing, **IT IS HEREBY ORDERED** that the motion is
7 **GRANTED.**

8 **IT IS HEREBY FURTHER ORDERED** that, following entry of this
9 Order, the Escrowee shall be authorized to release the Escrow Funds in the
10 amount of \$250,000, in the manner set forth in the Amended Settlement
11 Agreement reached among the parties to the Massachusetts Class Action,
12 **PROVIDED THAT:**

13 a) Within ten (10) days of the date of this Order, Ms. Johnson shall
14 file a copy of this Order in the Massachusetts Class Action;

15 b) Distribution of the Escrow Funds shall be subject to further
16 oversight and approval by the District of Massachusetts within the
17 Massachusetts Class Action;

18 c) Any Escrow Funds remaining after complete resolution of the
19 Massachusetts Class Action will be returned to the Receiver by the person
20 or entity then authorized to hold such Escrow Funds under the terms of the
21 Amended Settlement Agreement;

22 d) If settlement of the Massachusetts Class Action is not given final
23 approval by the District of Massachusetts, the Escrow Funds shall be
24 returned to the Receiver by the person or entity then authorized to hold such
25 Escrow Funds under the terms of the Amended Settlement Agreement, and
26 shall remain frozen absent further order of this Court; and

27 //

28 //



1 e) The FTC and the Receiver reserve their rights to oppose the
2 Attorneys' Fee Award request in the District of Massachusetts, and Ms.
3 Johnson and her counsel have agreed not to oppose any motion they
4 should file in that Court for purposes of intervening to oppose the Attorneys'
5 Fee Award.

6
7 **IT IS SO ORDERED.**

8 1/5/15

9 Dated: _____



The Hon. Dale S. Fischer
UNITED STATES DISTRICT JUDGE

